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Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Report of the Fifth Committee

Rapporteur: Mr. Santiago Wins (Uruguay)

I. Introduction

1. At its 3rd plenary meeting, on 19 September 2001, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-sixth session the item entitled "Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 54th, 55th and 60th meetings, on 13 and 15 May and 17 June 2002. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/56/SR.54, 55 and 60).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the Secretary-General on the financial performance of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2000 to 30 June 2001 (A/56/794 and Corr.1);

(b) Report of the Secretary-General on the budget for the Observation Mission for the period from 1 July 2002 to 30 June 2003 (A/56/820);

(c) Reports of the Advisory Committee on Administrative and Budgetary Questions (A/56/887 and Add.5).

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II. Consideration of draft resolution A/C.5/56/L.67

4. At the 60th meeting, on 17 June, the representative of Algeria and coordinator of informal consultations on the item, introduced, on behalf of the Chairman, a draft resolution entitled "Financing of the United Nations Iraq-Kuwait Observation Mission" (A/C.5/56/L.67).

5. At the same meeting, the Committee adopted draft resolution A/C.5/56/L.67 without a vote (see para. 6).

III. Recommendation of the Fifth Committee

6. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financing of the United Nations Iraq-Kuwait Observation Mission

The General Assembly,

Having considered the reports of the Secretary-General on the financing of the United Nations Iraq-Kuwait Observation Mission[1] and the related reports of the Advisory Committee on Administrative and Budgetary Questions,[2]

Recalling Security Council resolutions 687 (1991) of 3 April 1991 and 689 (1991) of 9 April 1991, by which the Council decided to establish the United Nations Iraq-Kuwait Observation Mission and to review the question of its termination or continuation every six months,

Recalling also its resolution 45/260 of 3 May 1991 on the financing of the Observation Mission and its subsequent resolutions and decisions thereon, the latest of which was resolution 55/261 of 14 June 2001,

Reaffirming the general principles underlying the financing of United Nations peacekeeping operations, as stated in General Assembly resolutions 1874 (S-IV) of 27 June 1963, 3101 (XXVIII) of 11 December 1973 and 55/235 of 23 December 2000,

Expressing its appreciation for the substantial voluntary contributions made to the Observation Mission by the Government of Kuwait and the contributions of other Governments,

Mindful of the fact that it is essential to provide the Observation Mission with the necessary financial resources to enable it to fulfil its responsibilities under the relevant resolutions of the Security Council,

1. *Takes note* of the status of contributions to the United Nations Iraq-Kuwait Observation Mission as at 30 April 2002, including the contributions outstanding in the amount of 13.0 million United States dollars, representing some 4 per cent of the total assessed contributions, notes with concern that only fifty-four

[1] A/56/794 and Corr.1 and A/56/820.

[2] A/56/887 and Add.5.

Member States have paid their assessed contributions in full, and urges all other Member States, in particular those in arrears, to ensure the payment of their outstanding assessed contributions;

2. *Expresses its continued appreciation* of the decision of the Government of Kuwait to defray two thirds of the cost of the Observation Mission, effective 1 November 1993;

3. *Expresses its appreciation* to those Member States which have paid their assessed contributions in full;

4. *Expresses concern* about the financial situation with regard to peacekeeping activities, in particular as regards the reimbursements to troop contributors that bear additional burdens owing to overdue payments by Member States of their assessments;

5. *Urges* all other Member States to make every possible effort to ensure payment of their assessed contributions to the Observation Mission in full and on time;

6. *Expresses concern* at the delay experienced by the Secretary-General in deploying and providing adequate resources to some recent peacekeeping missions, in particular those in Africa;

7. *Emphasizes* that all future and existing peacekeeping missions shall be given equal and non-discriminatory treatment in respect of financial and administrative arrangements;

8. *Also emphasizes* that all peacekeeping missions shall be provided with adequate resources for the effective and efficient discharge of their respective mandates;

9. *Reiterates its request* to the Secretary-General to make the fullest possible use of facilities and equipment at the United Nations Logistics Base at Brindisi, Italy, in order to minimize the costs of procurement for the Observation Mission;

10. *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions,[3] and requests the Secretary-General to ensure their full implementation;

11. *Requests* the Secretary-General to take all necessary action to ensure that the Observation Mission is administered with a maximum of efficiency and economy;

12. *Also requests* the Secretary-General, in order to reduce the cost of employing General Service staff, to continue efforts to recruit local staff for the Observation Mission against General Service posts, commensurate with the requirements of the Observation Mission;

[3] A/56/887 and Add.5.

Performance report for the period from 1 July 2000 to 30 June 2001

13. *Takes note* of the financial performance report for the Observation Mission for the period from 1 July 2000 to 30 June 2001;[4]

Budget estimates for the period from 1 July 2002 to 30 June 2003

14. *Decides* to appropriate to the Special Account for the United Nations Iraq-Kuwait Observation Mission the amount of 52,866,800 dollars for the period from 1 July 2002 to 30 June 2003, inclusive of 50,573,200 dollars for the maintenance of the Observation Mission, 2,048,200 dollars for the support account for peacekeeping operations and 245,400 dollars for the United Nations Logistics Base;

Financing of the appropriation

15. *Notes with appreciation* that a two-thirds share of the appropriation, equivalent to 35,244,600 dollars, will be funded through voluntary contributions from the Government of Kuwait, this amount to be partially offset by its share of the estimated staff assessment income in the amount of 1,685,900 dollars;

16. *Decides* to apportion among Member States the amount of 17,622,200 dollars at a monthly rate of 1,468,516 dollars, in accordance with the levels set out in General Assembly resolution 55/235 of 23 December 2000, as adjusted by the Assembly in its resolution 55/236 of the same date, and taking into account the scale of assessments for 2002 and 2003 as set out in its resolution 55/5 B also of the same date, and subject to review by the Security Council with regard to the question of termination or continuation of the Observation Mission;

17. *Also decides* that, in accordance with the provisions of its resolution 973 (X) of 15 December 1955, there shall be set off against the apportionment among Member States, as provided for in paragraph 16 above, their respective share in the Tax Equalization Fund of 842,800 dollars for the period from 1 July 2002 to 30 June 2003 at a monthly rate of 70,233 dollars, comprising the estimated staff assessment income of 742,600 dollars approved for the Observation Mission for the period from 1 July 2002 to 30 June 2003, the prorated share of 92,900 dollars of the estimated staff assessment income approved for the support account for the period from 1 July 2002 to 30 June 2003 and the increase in staff assessment income of that account for the period from 1 July 2000 to 30 June 2001, and the prorated share of 7,300 dollars of the estimated staff assessment income approved for the United Nations Logistics Base for the period from 1 July 2002 to 30 June 2003 and the reduction in staff assessment income of that account for the period from 1 July 2000 to 30 June 2001;

18. *Further decides* that, taking into account the unencumbered balance of 2,636,200 dollars and other income of 3,949,000 dollars for the financial period ended 30 June 2001, for Member States that have fulfilled their financial obligations to the Observation Mission, there shall be set off against their apportionment, as provided for in paragraph 16 above, their respective share of the unencumbered balance of 878,730 dollars and their respective share of other income of 1,316,330 dollars, in accordance with the levels set out in General Assembly resolution 55/235,

[4] A/56/794.

as adjusted by the Assembly in its resolution 55/236, and taking into account the scale of assessments for the year 2001, as set out in its resolution 55/5 B;

19. *Decides* that for Member States that have not fulfilled their financial obligations to the Observation Mission, their respective share of the unencumbered balance of 878,730 dollars and other income of 1,316,330 dollars in respect of the financial period ended 30 June 2001 shall be set off against their outstanding obligations in accordance with the scheme set out in paragraph 18 above;

20. *Also decides* that, taking into account the decrease in the staff assessment income of 218,900 dollars in respect of the financial period ended 30 June 2001, there shall be set off among Member States the amount of 72,960 dollars against the credits from the unencumbered balance referred to in paragraphs 18 and 19 above;

21. *Further decides* that, taking into account the voluntary contribution of the Government of Kuwait for the financial period ended 30 June 2001, two thirds of the unencumbered balance of 1,757,470 dollars and other income of 2,632,670 dollars in respect of the financial period ended 30 June 2001 shall be returned to the Government of Kuwait, these amounts to be partially offset by its share in the decrease in staff assessment income in the amount of 145,940 dollars in the Tax Equalization Fund;

22. *Emphasizes* that no peacekeeping mission shall be financed by borrowing funds from other active peacekeeping missions;

23. *Encourages* the Secretary-General to continue to take additional measures to ensure the safety and security of all personnel under the auspices of the United Nations participating in the Observation Mission;

24. *Invites* voluntary contributions to the Observation Mission in cash and in the form of services and supplies acceptable to the Secretary-General, to be administered, as appropriate, in accordance with the procedure and practices established by the General Assembly;

25. *Decides* to include in the provisional agenda of its fifty-seventh session, under the item entitled "Financing of the activities arising from Security Council resolution 687 (1991)", the sub-item entitled "Financing of the United Nations Iraq-Kuwait Observation Mission".